

Banking customer priorities vary by credit score, demanding targeted marketing efforts

Article

The news: A recent [PYMNTS report](#) found that credit union customer priorities—including trust, convenience, privacy, and security—differ by credit score, providing financial institutions with distinct targeting opportunities.

- These findings are based on a [survey](#) conducted jointly by PYMNTS and Payment Systems for Credit Unions (PSCU) in April. The survey involved 4,097 consumers, 100 credit union executives, and 54 fintech executives serving credit unions.

The results: While 67% of credit union customers emphasized that a financial institution’s trustworthiness was critical in their decision-making processes, a deeper dive into the data revealed varying top priorities.

- **Super-prime consumers** (credit scores of 750+) prioritize trustworthiness, followed by personal data protection.
- **Prime consumers** (credit scores from 600 to 749) value both personal data protection and the safety of their financial assets equally.
- **Subprime consumers** (credit scores below 600) valued personal data protection, followed by convenient ATM locations.

Exploring the realm of ‘trust’: While PYMNTS left its definition of “trustworthiness” implicit, consumers have told us that they want a reliable and reputable institution in which they can store their hard-earned money.

- Differing from [our definition](#), PYMNTS breaks out data security and privacy into separate categories.
- As credit scores decline, the importance of institutional trustworthiness drops in relation. Just 49.4% of subprime consumers prioritize this category.

Schwab took the crown in 2023: Per Investor's Business Daily’s 2023 [Most Trusted Financial Companies Survey](#), conducted by TechnoMetrica Market Intelligence with 7,597 participants, **Charles Schwab Bank** won the title of “most trusted” institution.

- Its PR director noted Schwab’s ability to increase brokerage accounts 9% year-over-year—coupled with offering one of the highest percentages of FDIC-insured assets—helped to build a foundation of trust with its customers.

- Customers shed more light in email responses, noting their appreciation of the bank’s fee transparency and “a positive sentiment towards Schwab.”

Trust isn’t everything: Prime and subprime consumers eyed other markers when making financial institution decisions.

- Across the board, personal data protection took second place to trust, but prime and subprime both ranked this as a top priority.
- Prime consumers prioritized the security of their financial assets, but subprime consumers ranked mobile app capabilities, feeless ATM transactions, and ATM location as more important.
- The lowest-ranked categories across all consumer categories were the ability to innovate new technologies and access to lines of credit.

What’s the strategy? These categories do not stand alone in attracting and retaining customers—rather, when combined, these factors interact to inspire customer confidence and loyalty.

- [Transparency in data privacy](#) influences a customer’s trust in financial institutions.
- [In a PYMNTS and Entersekt study](#), millennials and high earners prioritize data security over convenience.
- The [CFPB’s crackdown on so-called junk fees](#) highlights the negative impact these practices have on consumer trust.

Our take: Tailoring marketing efforts to subsets of customers, understanding their priorities, and excelling in all major areas of customer concern all must come together to lay a foundation for building stronger customer relationships.

By monitoring customer needs and adapting marketing and business strategies to these insights, financial institutions can gain a competitive edge in this dynamic landscape.